

OSA-2755-67
A67-63-247

REPLY TO:

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21 July 1967

SUBJECT: Contract Audit Closing Statement
Hughes Aircraft Company
Space Systems Division
El Segundo, California
Contract JM-1940

TO: Contracting Officer

1. This contract dated March 18, 1963, provided for engineering, analytical, and computing services on mission success studies. Work commenced in April, 1963 and was completed in March, 1964.

2. We have examined the contractor's accounting records and financial operating procedures for the purpose of determining whether the amounts claimed for reimbursement by the contractor on invoices submitted, constitute allowable costs under the terms of the contract. The examination was performed in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances.

3. Based upon our examination, the following represents the results of our review:

Current Contract Estimated Cost	<u>\$94,369.00</u>
Cost Claimed and Recommended for Allowance by Auditor	<u>\$93,708.47</u>

4. The total fixed fee payable to the contractor as determined in accordance with the provision of the contract is \$7,061.00.

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5. There are no known unclaimed wages, unclaimed deposits, unpresented checks, or potential credits and credits under the contract.

6. There is no known Government property remaining under the contract.

SIGNED

[Redacted Signature]

DCAA representative - APL

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FINAL CLAIM - CONTRACT JM-1940

<u>DIVISION</u>	<u>STRAIGHT TIME LABOR</u> \$	<u>PREMIUM</u> \$	<u>LABOR EXPENSE</u> \$	<u>LABOR EXPENSE RATE</u> %	<u>MATERIAL & ACCTS PAYABLE</u> \$	<u>TOTAL MFG. COST</u> \$	<u>G & A EXPENSE @ 9.38 %</u> \$	<u>TOTAL COST</u> \$	<u>FIXED FEE</u> \$	<u>TOTAL CPFF</u> \$
21	30,796.66	-	35,727.21	116.01	2,778.72	69,302.59	6,500.58	75,803.17		
22	7,543.86	87.15	8,751.63	116.01	-	16,382.64	1,536.69	17,919.33		
24	100.00	-	116.01	116.01	-	216.01	20.26	236.27		
Total Engineering Divisions	38,440.52	87.15	44,594.85		2,778.72	85,901.24	8,057.53	93,958.77		
28 - Field Service . .	212.00	-	221.03	104.26	-	433.03	40.62	473.65		
Total Contract Costs .	38,652.52	87.15	44,815.88		2,778.72	86,334.27	8,098.15	94,432.42	7,061.00	101,493.42
Total Billed and Paid to Date	38,652.52	87.15	44,038.34		2,771.68	85,549.69	7,953.93	93,503.62	6,355.00	99,858.62
FINAL CLAIM	-0-	-0-	777.54		7.04	784.58	144.22	928.80	706.00	1,634.80

28 September 1965

CONTRACTOR'S RELEASE

Contract No. JM-1940

Pursuant to the terms of Contract No. JM-1940 and in consideration of the sum of One Hundred Thousand Seven Hundred Sixty-Nine
Dollars and Forty-Seven Cents (\$100,769.47)

which has been or is to be paid under the said Contract to Hughes Aircraft Company, Culver City, California (hereinafter called the Contractor) or its assignees, if any, the Contractor, upon payment of the said sum by the UNITED STATES OF AMERICA (hereinafter called the Government), does remise, release and discharge the Government, its officers, agents and employees, of and from all liabilities, obligations, claims and demands whatsoever under or arising from the said Contract, except:

1. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor, as follows:
2. Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Contractor to third parties arising out of the performance of the said Contract, which are not known to the Contractor on the date of the execution of this release and of which the Contractor gives notice in writing to the Contracting Officer within the period specified in the said Contract.
3. Claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of the said Contract relating to patents.

The Contractor agrees, in connection with patent matters and with claims which are not released as set forth above, that it will comply with all of the provisions of the said Contract, including without limitation those provisions relating to notification to the Contracting Officer and relating to the defense or prosecution of litigation.

IN WITNESS WHEREOF, this release has been executed this 12th day of September 1967.

HUGHES AIRCRAFT COMPANY
(Contractor)

By:

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CERTIFICATE

Contract No. JM-1940

I, , certify that I am the Assistant
Secretary of the corporation named as Contractor
in the foregoing assignment; that
who signed said assignment on behalf of the Contractor was then
Vice President and Controller of said Corporation, that said
assignment was duly signed for and in behalf of said Corporation
by authority of its governing body and is within the scope of its
corporate powers.

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Corporate Seal

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OXC
 Copy _____ of 4
 Contract No. JM-1940
 Amendment No. 4

Hughes Aircraft Company
 Culver City, California

Gentlemen:

1. This document constitutes Amendment No. 4 to Contract JM-1940 between the parties hereto and said contract is amended as hereinafter set forth.

2. Pursuant to the provisions of Clause 41 of the General Provisions, the following rates are fixed for the calendar year set forth below.

	1963 (%)
<u>AEROSPACE GROUP</u>	
<u>G & A Expense</u>	
Group Incurred	4.87
General Research57
Corporate	<u>3.92</u>
	<u>9.36</u>

Labor Expense Rates

Engineering Burden Center	114.33
Field Service and Support	104.07

3. All other terms, conditions, and requirements of this contract, as amended, remain unchanged.

4. Please indicate your receipt and acceptance of the amendment by executing the original and three copies hereof. Please return the fully executed original and two copies to the undersigned and retain Copy No. 2 for your files.

Very truly yours,

Contracting Officer

ACKNOWLEDGED & ACCEPTED
 HUGHES AIRCRAFT COMPANY

BY _____

TITLE _____

DATE _____

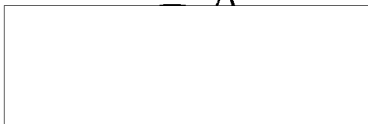
Contract: JM-1940

Date: 17 August 1967

CERTIFICATE ON GOVERNMENT PROPERTY

To the best of my knowledge and belief, I hereby certify that no property was furnished by the Government or acquired by the Contractor for the account of the Government in the performance of the work under subject contract.

HUGHES AIRCRAFT COMPANY



Manager, Administration

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Contract: JM-1940

Date: 17 August 1967

CERTIFICATE OF PATENT COMPLIANCE AND ROYALTIES

In support of the claim of the HUGHES AIRCRAFT COMPANY for fee withheld on information and belief, I hereby certify that:

- (1) no invention or discovery was conceived or first actually reduced to practice in the performance of this contract;
- (2) the Contractor paid no royalties directly to others in connection with the performance of this contract.

HUGHES AIRCRAFT COMPANY



Manager, Administration

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Contract: JM-1940

Date: 17 August 1967

CERTIFICATE OF COMPLETION

In support of the claim of HUGHES AIRCRAFT COMPANY for fee withheld under provisions of the above noted Contract, I hereby certify that:

- (1) all articles and services required have been successfully completed, delivered to and formally accepted by the Government;
- (2) all contractual changes initiated during the performance of the Contract have been embodied in formal contractual instruments;
- (3) all reductions in fixed fee (if any) to which the Government is entitled have been effected by change order or supplemental agreement.

HUGHES AIRCRAFT COMPANY



Manager, Administration

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CONTRACTOR'S ASSIGNMENT OF REFUNDS, REBATES,
CREDITS, AND OTHER AMOUNTS

Contract No. JM-1940

Pursuant to the terms of Contract No. JM-1940 and in consideration of the reimbursement of costs and payment of fee, as provided in the said Contract and any assignment thereunder, the Hughes Aircraft Company, Culver City, California (hereinafter called the Contractor) does hereby:

1. Assign, transfer, set over and release to the UNITED STATES OF AMERICA (hereinafter called the Government) all right, title, and interest to all refunds, rebates, credits or other amounts (including any interest thereon) arising out of the performance of the said Contract, together with all the rights of action accrued or which may hereafter accrue thereunder (except those for refunds or rebates of, or credits for, taxes paid to the State of California or any political subdivision thereof).
2. Agree to take whatever action may be necessary to effect prompt collection of all refunds, rebates, credits, or other amounts (including any interest thereon) due or which may become due, and to promptly forward to the Contracting Officer checks (made payable to the Treasurer of the United States) for any proceeds so collected. The reasonable costs of any such action to effect collection shall constitute allowable costs when approved by the Contracting Officer as stated in the said Contract, and may be applied to reduce any amounts otherwise payable to the Government under the terms hereof.
3. Agree to cooperate fully with the Government as to any claim or suit in connection with refunds, rebates, credits, or other amounts due (including any interest thereon); to execute any protest, pleading, application, power of attorney or other papers in connection therewith; and to permit the Government to represent it at any hearing, trial, or other proceeding, arising out of such claim or suit.
4. In the event the Contractor obtains or receives any refund or rebate of, or credit for, taxes paid to the State of California, or any other political subdivision thereof, in connection with the performance of this Contract, and for which the Contractor was paid or reimbursed by the Government, the Contractor agrees to pay over to the Government an amount equal to such refund or credit (including interest paid or credited to the Contractor incident to such refund or credit to the extent that such interest was earned after the Contractor was paid or reimbursed by the Government for such taxes). In the event the Contractor receives any benefit in lieu of or in addition to such a refund or credit, the Contractor agrees to pay over to the Government an amount equal to such benefits.

CONTRACTOR'S ASSIGNMENT OF REFUNDS, REBATES,
CREDITS, AND OTHER AMOUNTS

Page 2 of 2
Contract No. JM-1940

IN WITNESS WHEREOF, this assignment has been executed this 12th day
of September 1967.

HUGHES AIRCRAFT COMPANY
(Contractor)

By



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CERTIFICATE

Contract No. JM-1940

I, , certify that I am the Assistant
Secretary of the corporation named as Contractor
in the foregoing assignment; that
who signed said assignment on behalf of the Contractor was then
Vice President and Controller of said Corporation, that said
assignment was duly signed for and in behalf of said Corporation
by authority of its governing body and is within the scope of its
corporate powers.

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Corporate Seal



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